

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 1999.

(U 39 M)

Application 97-12-020
(Filed December 12, 1997)

Investigation into the Reasonableness of Expenses Related to the Out-Of-Service Status of Pacific Gas and Electric Company's El Dorado Hydroelectric Project and the Need to Reduce Electric Rates Related To This Non-Functioning Electric Generating Facility.

Investigation 97-11-026
(Filed November 19, 1997)

Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Decrease its Rates and Charges for Electric and Gas Service, and Increase Rates and Charges for Pipeline Expansion Service.

(Electric and Gas) (U 39 M)

Application 94-12-005
(Filed December 9, 1994)

Order Instituting Investigation Into Rates, Charges, and Practices of Pacific Gas and Electric Company.

Investigation 95-02-015
(Filed February 22, 1995)

**ADMINISTRATIVE LAW JUDGE'S RULING SETTING PREHEARING
CONFERENCE PURSUANT TO DECISION 01-10-031**

NOTICE IS HEREBY GIVEN that a prehearing conference is set for February 13, 2002 at 10:00 a.m., in the Commission's Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.

This prehearing conference is set pursuant to the Commission's Order in Decision (D.) 01-10-031, which states in relevant part that:

IT IS FURTHER ORDERED that rehearing is granted to allow [Pacific Gas and Electric Company (PG&E)] to put in evidence of exactly how much it invested in its electric distribution plant in 1998. In conjunction with the rehearing, it is ordered that any rates that are raised based on the electric distribution capital forecast adopted in D.00-02-046 be made subject to refund, to allow for possible adjustment of this forecast pending the results of the rehearing. The assigned ALJ shall establish an appropriate schedule for and procedures governing such rehearing. (D.01-10-031, p. 45.)

PG&E filed an application for rehearing of D.01-10-031. On January 9, 2002, the Commission issued D.02-01-044, denying rehearing of D.01-10-031. It is appropriate to carry out the Commission's order in D.01-10-031 at this time.

The prehearing conference is called to identify the parties interested in the rehearing issues; determine the positions of the parties; determine the need, if any, for evidentiary hearings and the schedule; determine any procedures that may be needed for discovery; and to address other procedural matters. I request that to the extent feasible, PG&E have available its evidence of exactly how much it invested in its electric distribution plant in 1998. Further, if time permits, it would be preferable for PG&E to serve the evidence on parties of record on February 8, 2002.

In its discussion of the electric distribution capital issue, the Commission indicated in D.01-10-031 its intent to disallow PG&E's capital expenditures for 1998 to the extent that its actual expenditures were less than the amount that was

forecasted. (*Id.*, pp. 6-7.) Further, in lieu of using the actual year-to-date expenditures in the 1998 hearing record, the Commission allowed PG&E to supplement that record by putting into evidence the exact amount it invested in electric plant for the entire year. (*Id.*) The discussion clearly indicates the Commission's intent to limit the inquiry on rehearing to a comparison of actual and forecast capital expenditures to determine the amount, if any, that would be disallowed. It does not appear that the Commission intended the rehearing to consider the extent to which the actual expenditures or any portion thereof were reasonable or resulted in used and useful plant. Any party with a contrary view should be prepared to argue its position at the prehearing conference.

D.01-10-031 also ordered that after the rehearing on 1998 capital expenditures and after all other outstanding matters relevant to an ultimate outcome in this proceeding have been resolved, a final Results of Operations analysis shall be performed and a final revenue requirement determined. Procedures for implementing this order may be discussed at the prehearing conference.

IT IS SO RULED.

Dated January 28, 2002, at San Francisco, California.

/s/ Mark Wetzell
Mark Wetzell
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Prehearing Conference Pursuant to Decision (D.) 01-10-031 on all parties of record in this proceeding or their attorneys of record.

Dated January 28, 2002, at San Francisco, California.

/s/ Antonina V. Swansen
Antonina V. Swansen

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.